



C. J. SCHLOSSER
& COMPANY, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

VILLAGE OF BETHALTO, ILLINOIS

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED
APRIL 30, 2023

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VILLAGE OF BETHALTO, ILLINOIS

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and Board of Trustees
Village of Bethalto, Illinois

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Bethalto, Illinois, ("Village") as of and for the year ended April 30, 2023, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions Section of our report, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village as of April 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified audit opinions.

Matter Giving Rise to the Qualified Opinion on the Net Pension Liability and Footnote Disclosures

For the net pension liability and certain footnote disclosures and supplementary information related to the pension fund, the Village uses an actuarial valuation performed in accordance with the Illinois Compiled Statutes. The funding methodology used for an actuarial valuation in accordance with Illinois State Statutes is in variance from the methods required by GASB 67 and GASB 68. The amount by which this departure would affect the footnote disclosures and supplementary information has not been determined.

The Village has not implemented reporting for GASB 75 related to post-employment benefits. The amount by which this departure would affect the financial statements, footnote disclosures and supplementary information has not been determined.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and pension funding information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Village has omitted the Management Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial is not affected by this missing information.

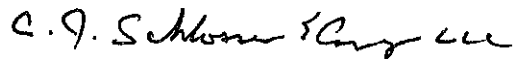
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial

statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2023, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Village's internal control over financial reporting and compliance.



Certified Public Accountants
Alton, Illinois
December 14, 2023



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To the Mayor and Board of Trustees
Village of Bethalto, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Bethalto, Illinois as of and for the year ended April 30, 2023, and the related notes to the financial statements, which collectively comprise the Village of Bethalto, Illinois' basic financial statements, and have issued our report thereon dated December 14, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village of Bethalto, Illinois' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Bethalto, Illinois' internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Bethalto, Illinois' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Bethalto, Illinois' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

C. J. Schwan Company LLC

Certified Public Accountants

Alton, Illinois

December 14, 2023

VILLAGE OF BETHALTO, ILLINOIS

STATEMENT OF NET POSITION
APRIL 30, 2023

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ 8,287,682	\$ 1,972,491	\$ 10,260,173
Certificates of Deposit	-	153,026	153,026
Receivables (Net of allowance for uncollectibles):	3,814,114	1,369,386	5,183,500
Prepaid Expenses	106,730	-	106,730
Capital Assets:			
Land	774,986	248,083	1,023,069
Buildings and Improvements	6,781,370	546,075	7,327,445
Water and Sewer Systems	-	21,773,488	21,773,488
Equipment and Vehicles	4,578,086	2,840,085	7,418,171
Infrastructure	14,793,412	-	14,793,412
Less: Accumulated Depreciation	<u>(9,137,781)</u>	<u>(13,522,168)</u>	<u>(22,659,949)</u>
Net Capital Assets	<u>17,790,073</u>	<u>11,885,563</u>	<u>29,675,636</u>
Total Assets	<u>29,998,599</u>	<u>15,380,466</u>	<u>45,379,065</u>
<u>Deferred Outflows of Resources</u>			
Future Pension Expense	<u>816,427</u>	<u>922,165</u>	<u>1,738,592</u>
<u>Liabilities</u>			
Accounts Payable	409,494	1,042,436	1,451,930
Accrued Wages and Compensated Absences	106,733	47,123	153,856
Accrued Interest Payable	4,376	18,516	22,892
Customer Deposits	-	210	210
Noncurrent Liabilities:			
Due Within One Year	901,561	582,240	1,483,801
Due in More Than One Year	378,021	3,365,982	3,744,003
Net Pension Liability	<u>7,525,184</u>	<u>1,768,358</u>	<u>9,293,542</u>
Total Liabilities	<u>9,325,369</u>	<u>6,824,865</u>	<u>16,150,234</u>
<u>Deferred Inflows of Resources</u>			
Deferred Real Estate Taxes	1,950,343	-	1,950,343
Deferred Lease	609,126	-	609,126
Future Pension Expense	<u>143,550</u>	<u>162,143</u>	<u>305,693</u>
Total Deferred Inflows of Resources	<u>2,703,019</u>	<u>162,143</u>	<u>2,865,162</u>
<u>Net Position</u>			
Net Investment in Capital Assets	16,976,837	8,246,726	25,223,563
Restricted	3,494,252	-	3,494,252
Unrestricted	<u>(1,684,451)</u>	<u>1,068,897</u>	<u>(615,554)</u>
Total Net Position	<u>\$ 18,786,638</u>	<u>\$ 9,315,623</u>	<u>\$ 28,102,261</u>

The notes to the financial statements are an integral part of this statement

VILLAGE OF BETHALTO, ILLINOIS

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2023

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 1,856,037	\$ 1,093,388	\$ 627,595	\$ -	\$ (135,054)		\$ (135,054)
Public Safety	2,585,410	185,507	-	-	(2,399,903)		(2,399,903)
Public Works	1,018,477	-	-	104,579	(913,898)		(913,898)
Culture and Recreation	882,810	15,060	-	-	(867,750)		(867,750)
Community and Economic Development	294,216	-	-	-	(294,216)		(294,216)
Interest on Long-term Debt	30,621	-	-	-	(30,621)		(30,621)
Total Governmental Activities	6,667,571	1,293,955	627,595	104,579	(4,641,442)		(4,641,442)
Business-type Activities:							
Water and Sewer	5,299,542	4,949,612	-	1,109,943		\$ 760,013	760,013
Total Business-type Activities	5,299,542	4,949,612	-	1,109,943		760,013	760,013
Total Primary Government	\$ 11,967,113	\$ 6,243,567	\$ 627,595	\$ 1,214,522	(4,641,442)	760,013	(3,881,429)
General Revenues:							
Property Tax, Levied for General Purposes					2,447,142	-	2,447,142
Intergovernmental Revenues:							
Sales and Use Tax					2,674,159	-	2,674,159
Replacement Tax					180,729	-	180,729
State Income Tax					1,345,919	-	1,345,919
Motor Fuel Tax					382,879	-	382,879
Video Gaming Tax					116,010	-	116,010
Excise Tax					77,193	-	77,193
Utility Tax					574,957	-	574,957
Franchise Fees					108,140	-	108,140
Other Taxes					18,477	-	18,477
Unrestricted Investment Earnings					7,213	918	8,131
Miscellaneous					28,843	-	28,843
Transfers					(3,230)	3,230	-
Total General Revenues and Transfers					7,958,431	4,148	7,962,579
Change in Net Position					3,316,989	764,161	4,081,150
Net Position - Beginning					15,469,649	8,551,462	24,021,111
Net Position - Ending					\$ 18,786,638	\$ 9,315,623	\$ 28,102,261

The notes to the financial statements are an integral part of this statement

VILLAGE OF BETHALTO, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS
APRIL 30, 2023

	<u>General Fund</u>	<u>Business District</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Assets</u>				
Cash and Cash Equivalents	\$ 4,828,952	\$ 1,811,535	\$ 1,647,195	\$ 8,287,682
Receivables (Net, where applicable, of allowances for uncollectibles):				
Property Tax	1,044,235	-	906,108	1,950,343
Services	-	-	82,064	82,064
Intergovernmental	841,565	200,929	33,077	1,075,571
Other	95,146	-	1,864	97,010
Lease	609,126	-	-	609,126
Due from Other Funds	94,974	-	-	94,974
Prepaid Expenses	-	-	106,730	106,730
Total Assets	<u>\$ 7,513,998</u>	<u>\$ 2,012,464</u>	<u>\$ 2,777,038</u>	<u>\$ 12,303,500</u>
 <u>Liabilities, Deferred Inflows of Resources and Fund Balance</u>				
Liabilities:				
Accounts Payable	\$ 257,338	\$ 96,955	\$ 55,201	\$ 409,494
Due to Other Funds	-	-	94,974	94,974
Accrued Wages	106,733	-	-	106,733
Total Liabilities	<u>364,071</u>	<u>96,955</u>	<u>150,175</u>	<u>611,201</u>
Deferred Inflows of Resources:				
Property Tax Revenue	1,044,235	-	906,108	1,950,343
Deferred Lease	609,126	-	-	609,126
Deferred Revenue	162,454	65,160	-	227,614
	<u>1,815,815</u>	<u>65,160</u>	<u>906,108</u>	<u>2,787,083</u>
Fund Balance:				
Nonspendable	-	-	106,730	106,730
Restricted	29,878	1,850,349	1,614,025	3,494,252
Unassigned	5,304,234	-	-	5,304,234
Total Fund Balance	<u>5,334,112</u>	<u>1,850,349</u>	<u>1,720,755</u>	<u>8,905,216</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 7,513,998</u>	<u>\$ 2,012,464</u>	<u>\$ 2,777,038</u>	<u>\$ 12,303,500</u>

The notes to the financial statements are an integral part of this statement

VILLAGE OF BETHALTO, ILLINOIS

RECONCILIATION OF THE BALANCE SHEET OF THE
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
APRIL 30, 2023

Amounts reported for governmental fund balances are different because:

Fund balances - total governmental funds	\$ 8,905,216
Capital assets used in governmental activities are not financial resources and, therefore, are not reported on the balance sheet of the governmental funds.	17,790,073
The amount of compensated absences is not recorded as a liability on the balance sheet of the governmental funds.	(466,346)
Long-term debt (e.g., bonds, leases) is not reported as a liability on the balance sheet of the governmental funds.	(813,236)
Accrued interest payable on the long-term debt is not reported as a liability on the balance sheet of the governmental funds.	(4,376)
Deferred inflows and outflows of resources related to pensions are not reported in the governmental funds	672,877
Net pension liabilities/assets are not reported on the balance sheet of the governmental funds.	(7,525,184)
Intergovernmental revenues that are not available for current use are reported as deferred on the balance sheet of the governmental funds but not on the statement of net position.	<u>227,614</u>
Net position of governmental activities	<u>\$ 18,786,638</u>

The notes to the financial statements are an integral part of this statement

VILLAGE OF BETHALTO, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2023

	<u>General Fund</u>	<u>Business District</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property Tax	\$ 1,623,946	\$ -	\$ 823,196	\$ 2,447,142
Intergovernmental:				
Sales and Use Tax	1,899,718	769,775	-	2,669,493
Replacement Tax	156,142	-	24,587	180,729
State Income Tax	1,345,919	-	-	1,345,919
Motor Fuel Tax	-	-	382,879	382,879
Excise Tax	77,877	-	-	77,877
Video Gaming Tax	116,010	-	-	116,010
Grants	626,670	-	104,579	731,249
Other	18,477	-	-	18,477
Utility Tax	574,957	-	-	574,957
Licenses, Fees and Permits	232,150	-	-	232,150
Charges for Services	238,395	-	651,629	890,024
Fines	42,817	-	-	42,817
Investment Earnings	4	-	7,209	7,213
Gifts and Donations	925	-	-	925
Miscellaneous Revenues/Reimbursements	265,947	-	-	265,947
Total Revenues	<u>7,219,954</u>	<u>769,775</u>	<u>1,994,079</u>	<u>9,983,808</u>
Expenditures:				
Current:				
General Government	713,913	-	1,070,364	1,784,277
Public Safety	2,804,657	-	1,110	2,805,767
Public Works	625,991	-	13,016	639,007
Culture and Recreation	591,256	-	-	591,256
Community and Economic Development Services	139,802	154,289	125	294,216
Debt Service:				
Principal	36,386	-	386,361	422,747
Interest and Fees	3,614	-	28,009	31,623
Capital Outlay	692,535	220,384	570,052	1,482,971
Total Expenditures	<u>5,608,154</u>	<u>374,673</u>	<u>2,069,037</u>	<u>8,051,864</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,611,800</u>	<u>395,102</u>	<u>(74,958)</u>	<u>1,931,944</u>
Other Financing Sources (Uses):				
Transfers In	-	-	242,615	242,615
Transfers Out	<u>(245,845)</u>	-	-	<u>(245,845)</u>
Total Other Financing Sources	<u>(245,845)</u>	-	242,615	<u>(3,230)</u>
Net Change in Fund Balances	1,365,955	395,102	167,657	1,928,714
Fund Balance, Beginning of Year	<u>3,968,157</u>	<u>1,455,247</u>	<u>1,553,098</u>	<u>6,976,502</u>
Fund Balance, End of Year	<u>\$ 5,334,112</u>	<u>\$ 1,850,349</u>	<u>\$ 1,720,755</u>	<u>\$ 8,905,216</u>

The notes to the financial statements are an integral part of this statement

VILLAGE OF BETHALTO, ILLINOIS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2023

Amounts reported for governmental activities in the statement of activities
are different because:

Net change in fund balances - total governmental funds	\$ 1,928,714
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$1,482,971) exceeded depreciation expense (\$682,149) and losses on disposals (\$8,401) in the current year.	792,421
The amount of compensated absences is not recorded as expense in the fund financial statements. In the statement of activities, these amounts are included and recorded currently in the various functional expense categories. This amount is the difference between beginning and ending compensated absences balances that has been included in the statement of activities.	5,137
The amount of net pension liabilities/assets and deferred outflows/inflows related to IMRF and the police pensions are not recorded as an expense in the fund financial statements. In the statement of activities, these amounts are included and recorded currently in the proper functional expense category. This amount is the difference between beginning and ending net pension liabilities/assets balances that has been included in the statement of activities.	162,986
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of those differences in the treatment of long-term debt and related items.	422,747
Interest accrued but not paid is not recorded as an expense until paid. This is the change in accrued interest payable between years.	1,002
Intergovernmental revenues that are not available for current use are reported as deferred on the balance sheet of the governmental funds but not on the statement of net position. This amount is the difference between beginning and ending deferred revenues that has been included in the statement of activities.	<u>3,982</u>
Change in net position of governmental activities	<u>\$ 3,316,989</u>

The notes to the financial statements are an integral part of this statement

VILLAGE OF BETHALTO, ILLINOIS

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 APRIL 30, 2023

	<u>Business-Type Activities--Enterprise Funds</u>		
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<u>Assets</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 1,225,893	\$ 746,598	\$ 1,972,491
Certificates of Deposit	153,026	-	153,026
Receivables (Net of allowance for uncollectible):	<u>320,416</u>	<u>1,048,970</u>	<u>1,369,386</u>
Total Current Assets	<u>1,699,335</u>	<u>1,795,568</u>	<u>3,494,903</u>
Noncurrent Assets:			
Capital Assets:			
Land	248,083	-	248,083
Buildings and Improvements	372,106	173,969	546,075
Equipment	1,420,430	712,755	2,133,185
Vehicles	524,998	181,902	706,900
Water and Sewer Systems	<u>16,234,521</u>	<u>5,538,967</u>	<u>21,773,488</u>
Total	<u>18,800,138</u>	<u>6,607,593</u>	<u>25,407,731</u>
Accumulated Depreciation	<u>(11,276,079)</u>	<u>(2,246,089)</u>	<u>(13,522,168)</u>
Net Capital Assets	<u>7,524,059</u>	<u>4,361,504</u>	<u>11,885,563</u>
Total Noncurrent Assets	<u>7,524,059</u>	<u>4,361,504</u>	<u>11,885,563</u>
Total Assets	<u>\$ 9,223,394</u>	<u>\$ 6,157,072</u>	<u>\$ 15,380,466</u>
<u>Deferred Outflows of Resources</u>			
Pension Plan Obligations	<u>\$ 448,371</u>	<u>\$ 473,794</u>	<u>\$ 922,165</u>
<u>Liabilities</u>			
Current Liabilities:			
Accounts Payable	\$ 173,052	\$ 869,384	\$ 1,042,436
Accrued Wages	26,615	20,508	47,123
Customer Deposits	210	-	210
Accrued Interest	18,516	-	18,516
Current Portion of Long-Term Debt	<u>248,308</u>	<u>24,547</u>	<u>272,855</u>
Total Current Liabilities	<u>466,701</u>	<u>914,439</u>	<u>1,381,140</u>
Noncurrent Liabilities:			
Accrued Absences	181,228	128,157	309,385
Net Pension Liability	859,804	908,554	1,768,358
Notes Payable - Non Current Portion	<u>2,978,824</u>	<u>387,158</u>	<u>3,365,982</u>
Total Noncurrent Liabilities	<u>4,019,856</u>	<u>1,423,869</u>	<u>5,443,725</u>
Total Liabilities	<u>4,486,557</u>	<u>2,338,308</u>	<u>6,824,865</u>
<u>Deferred Inflows of Resources</u>			
Pension Plan Obligations	<u>\$ 78,836</u>	<u>\$ 83,307</u>	<u>\$ 162,143</u>
<u>Net Position</u>			
Net Investment in Capital Assets	4,296,927	3,949,799	8,246,726
Unrestricted	<u>809,445</u>	<u>259,452</u>	<u>1,068,897</u>
Total Net Position	<u>\$ 5,106,372</u>	<u>\$ 4,209,251</u>	<u>\$ 9,315,623</u>

The notes to the financial statements are an integral part of this statement

VILLAGE OF BETHALTO, ILLINOIS

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED APRIL 30, 2023

	<u>Business-Type Activities--Enterprise Funds</u>		
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Operating Revenues:			
Charges for Services	<u>\$ 2,874,261</u>	<u>\$ 2,075,351</u>	<u>\$ 4,949,612</u>
Operating Expenses:			
Personal Services	1,093,817	844,138	1,937,955
Materials and Supplies	562,359	61,063	623,422
Contractual Services	865,176	903,623	1,768,799
Depreciation	<u>644,979</u>	<u>238,901</u>	<u>883,880</u>
Total Operating Expenses	<u>3,166,331</u>	<u>2,047,725</u>	<u>5,214,056</u>
Operating Income	<u>(292,070)</u>	<u>27,626</u>	<u>(264,444)</u>
Nonoperating Revenues (Expenses):			
Investment Earnings	718	200	918
Interest and Fiscal Charges	<u>(76,856)</u>	<u>(8,630)</u>	<u>(85,486)</u>
Total Nonoperating Revenues (Expenses)	<u>(76,138)</u>	<u>(8,430)</u>	<u>(84,568)</u>
Income Before Contributions and Transfers	<u>(368,208)</u>	19,196	<u>(349,012)</u>
Capital Contribution	-	1,109,943	1,109,943
Transfers In (Out)	<u>3,230</u>	<u>-</u>	<u>3,230</u>
Change in Net Position	<u>(364,978)</u>	1,129,139	764,161
Net Position - Beginning of Year	<u>5,471,350</u>	<u>3,080,112</u>	<u>8,551,462</u>
Net Position - End of Year	<u>\$ 5,106,372</u>	<u>\$ 4,209,251</u>	<u>\$ 9,315,623</u>

The notes to the financial statements are an integral part of this statement

VILLAGE OF BETHALTO, ILLINOIS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED APRIL 30, 2023

	Business-Type Activities--Enterprise Funds		
	Water	Sewer	Total
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 2,817,996	\$ 2,049,733	\$ 4,867,729
Payments to Suppliers	(1,751,885)	(1,147,822)	(2,899,707)
Payments to Employees	(556,572)	(420,883)	(977,455)
Net Cash Provided (Used) by Operating Activities	509,539	481,028	990,567
Cash Flows from Noncapital Financing Activities:			
Payments from (to) Other Funds	3,230	-	3,230
Net Cash Provided (Used) by Noncapital Financing Activities	3,230	-	3,230
Cash Flows from Capital and Related Financing Activities:			
Principal Payments on Long-Term Debt	(242,706)	(72,729)	(315,435)
Proceeds from Capital Grant	-	289,848	289,848
Interest Paid on Debt	(78,248)	(8,630)	(86,878)
Acquisition and Construction of Capital Assets	(318,568)	(611,782)	(930,350)
Net Cash Provided (Used) by Capital Related Financing Activities	(639,522)	(403,293)	(1,042,815)
Cash Flows from Investing Activities:			
Purchase of Investments	(77)	-	(77)
Interest Received	718	200	918
Net Cash Provided by Investing Activities	641	200	841
Net Change in Cash and Cash Equivalents	(126,112)	77,935	(48,177)
Cash and Cash Equivalents, Beginning of Year	1,352,005	668,663	2,020,668
Cash and Cash Equivalents, End of Year	\$ 1,225,893	\$ 746,598	\$ 1,972,491
Reconciliation of Operating Income			
to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (292,070)	\$ 27,626	\$ (264,444)
Adjustments to Reconcile Operating Income to Net			
Net Cash Provided by Operating Activities			
Depreciation	644,979	238,901	883,880
Net Pension Liability and Deferrals	191,128	239,260	430,388
(Increase) Decrease in Assets:			
Accounts Receivable	(56,265)	(25,618)	(81,883)
Increase (Decrease) in Liabilities:			
Accrued Payroll and Benefits	13,439	19,286	32,725
Accounts Payable	8,328	(18,427)	(10,099)
Net Cash Provided by Operating Activities	\$ 509,539	\$ 481,028	\$ 990,567

The notes to the financial statements are an integral part of this statement

VILLAGE OF BETHALTO, ILLINOIS

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND - POLICE PENSION TRUST
APRIL 30, 2023

Assets:		
Cash and Cash Equivalents	\$	299,176
Investments:		
Illinois Police Officer's Pension Investment Fund		7,790,625
Receivables:		
Property Tax		560,183
Other		<u>3,012</u>
Total Assets		<u>8,652,996</u>
Liabilities:		
None		<u>-</u>
Total Liabilities		<u>-</u>
Net Position - Restricted for Pension Benefits	\$	<u>8,652,996</u>

The notes to the financial statements are an integral part of this statement

VILLAGE OF BETHALTO, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND - POLICE PENSION TRUST
FOR THE YEAR ENDED APRIL 30, 2023

Additions:

Employer Contributions	
Property Taxes	\$ 559,203
Replacement Taxes	17,199
Employee Contributions	99,275
Investment Earnings:	
Investment Earnings	97,525
Less: Investment Expense	<u>(18,332)</u>
Net Investment Earnings	<u>79,193</u>
Total Additions	<u>754,870</u>

Deductions:

Benefit Payments	793,498
Contractual Services	<u>7,818</u>
Total Deductions	<u>801,316</u>

Change in Net Position	(46,446)
Net Position - Beginning of Year	<u>8,699,442</u>
Net Position - End of Year	<u>\$ 8,652,996</u>

The notes to the financial statements are an integral part of this statement

VILLAGE OF BETHALTO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Bethalto, Illinois have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

(a) The financial reporting entity

The Village operates under a Mayor-Board of Trustees form of government and provides the following services as authorized by its charter: public safety, development services, public health and welfare, culture, recreation, and water/sewer. The Villages' basic financial statements include the accounts of all Village operations. The criteria for including organizations as component units within the Village's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- The organization is legally separate (can sue and be sued in their own name)
- The Village holds the corporate powers of the organization
- The Village appoints a majority of the organization's board
- The Village is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the Village
- There is fiscal dependency by the organization on the Village

Based on the aforementioned criteria, the Village has no component units or related organizations.

(b) Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

VILLAGE OF BETHALTO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

(c) Measurement focus, basis of accounting and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Property taxes, intergovernmental revenues, permits and fees associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized, when applicable, as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The General Fund is the main operating fund of the Village. This fund is used to account for all financial resources not required to be accounted for in a separate fund. This fund reports all general tax revenues and other revenues that are not restricted by law or contractual agreement to a separate fund.

VILLAGE OF BETHALTO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The Business District Fund accounts for the financial transactions related to improvements and promotional costs related to the business district.

The government reports the following major proprietary funds:

The Water and Sewer Funds account for the activities related to the billing, administration, and distribution and collection process of the water and sewer plant. The Village operates the water and sewer systems.

Additionally, the government reports the following fiduciary fund type:

The Pension Trust Fund accounts for the activities of the police pension fund, which accumulate resources for pension benefit payments to qualified public safety employees.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are reimbursements between funds for direct costs applicable to the other fund. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Village's enterprise funds are charges to customers for sales and services. The Village also recognizes as operating revenue the portion of connection fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

(d) Assets, liabilities and net assets or equity

Deposits and investments

The Village's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposits and short-term investments with original maturities of three months or less.

The Village is authorized by state statute to invest in obligations of the United States of America, insured interest-bearing accounts of banks, savings and loan associations or credit unions, certain short-term obligations of corporations organized in the

VILLAGE OF BETHALTO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

United States, money market mutual funds that invest in obligations of the United States of America or its agencies or are guaranteed by the full faith and credit of the United States of America. The pension trust fund is also allowed to invest limited percentages of their monies in mutual funds and equity securities.

Investments are recorded in all funds at fair value. Investment income is recognized as earned. Gains or losses on sales and exchanges of fixed-income securities are recognized on the transaction date.

Receivables and payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

The primary purpose of these interfund receivables and payables is to provide temporary loans for cash flow needs; all amounts are expected to be repaid within the next fiscal year.

All intergovernmental and property tax receivables are shown net of an allowance for uncollectible amounts. All accounts receivable related to the enterprise funds are shown at net of an allowance for uncollectible accounts based on management’s estimate of collectability.

Unbilled water, sewer and garbage service receivables are recorded at year-end. They are determined by taking cycle billings subsequent to April 30 and prorating the applicable number of days to the current fiscal year.

The Village levied its property taxes in December 2022, based upon the expected assessed valuation as of December 31, 2022. Property taxes are due in four installments in the following year, usually beginning in June, and are considered delinquent after the due dates. Property taxes for 2022 become an enforceable lien in January 2023. Because this tax levy will be used to pay for expenses budgeted in fiscal year 2024, this tax levy is shown as a receivable and as deferred inflow of resources as of April 30, 2023 in the governmental funds statements and in the statement of net position. Tax revenues reflected in these financial statements are taxes collected on the 2021 levy.

Prepaid expenses

Payments made to vendors for services that will benefit periods beyond the fiscal year end are reported as prepaid expenses.

Capital assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable

VILLAGE OF BETHALTO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

governmental or business-type activities columns in the government-wide financial statements. The government generally defines capital assets as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects when constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	10 - 75
Infrastructure	20 - 75
Distribution systems	5 - 50
Vehicles	4 - 20
Office and other equipment	3 - 33

Compensated absences

Under terms of the various Village ordinances and negotiated contracts, Village employees are granted vacation and sick days based on continuous employment service. Employees accrue vacation time from one to five years based upon the years of employment. Sick leave is accrued at the rate of 8 to 10 days per year (125 days maximum). Employees may carry unused leave beyond the calendar year in which it is earned. Unused leave is paid at time of retirement, termination, or death. A liability for these amounts is recorded.

Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

VILLAGE OF BETHALTO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets (net of accumulated depreciation) reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvements of those assets, and adding back unspent proceeds. Net positions are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Village of through external restrictions imposed by creditors, grantors, laws or regulations of other governments. The Village first applies expenses to restricted positions when both restricted and unrestricted positions are available.

Fund balances

In the fund financial statements, the Village classifies the fund balances based upon the following criteria:

Nonspendable - includes amounts that cannot be spent because they are either 1) not in spendable form, or 2) legally or contractually required to remain intact.

Restricted - balances with constraints that are either externally imposed by creditors or imposed by law through constitutional provisions or enabling legislation.

Committed - balances that are to be only used for specific purposes pursuant to constraints imposed by formal action of the Village Board, the government's highest level of decision-making authority.

Assigned - balances that are constrained by the Village Board's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned - the residual classification of the General Fund balance.

The following details the description and amount of all constraints recorded by the Village in the fund financial statements:

<u>Governmental Funds</u>	
Nonspendable:	
Prepaid Insurance	\$ 106,730
Restricted:	
HRA Plan	\$ 29,878
Business District	1,850,349
TIF	16,432
Civil Defense	1,334
Motor Fuel Tax	566,273
Insurance	146,135
Audit	37,788
Retirement Funds	643,455
Garbage	202,608
	<u>\$ 3,494,252</u>

VILLAGE OF BETHALTO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with accounting principles generally accepted in the United States of America. These estimates and assumptions affect the reported amounts of assets and liabilities and the reported revenues and expenditures. Actual results could vary from estimates that were used.

Risk Management

The Village is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions and natural disasters for which the Village carries commercial insurance. There has been no significant reduction in coverage from the prior year.

NOTE 2: BUDGETARY AND LEGAL COMPLIANCE

Each year the Village Mayor submits to the Village Board a proposed operating budget in accordance with Illinois Compiled Statutes. The operating budget includes proposed expenditures and the means of financing them. The budgets are legally enacted ordinance after public hearings are held to obtain taxpayer comments.

The Village followed these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to July 31, the Village Mayor submits to the Village Board a proposed operating budget for the funds for the Fiscal year commencing May 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to August 1, the budget is legally enacted through passage of an ordinance.
4. The Village Treasurer is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Village Board.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and the Capital Projects Fund.

VILLAGE OF BETHALTO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

6. Budgets for all fund are adopted on the cash basis.

The major differences between the budgetary and GAAP basis of accounting are:

1. Revenues are recorded when received in cash (budgetary) as opposed to when they are measurable and available (GAAP).
2. Expenditures are recorded when paid or when a liability has been incurred which has been budgeted to be paid with expendable financial resources (budgetary), as opposed to when the obligation is incurred (GAAP).

NOTE 3: CASH AND CASH EQUIVALENTS AND INVESTMENTS

Governmental & Business-Type Activities

At April 30, 2023, the carrying amount of the Village's deposits was \$10,413,199 and the bank balance was \$10,354,431. The deposits were comprised of interest checking, money market and certificates of deposit.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village requires that all deposits be fully covered by FDIC insurance or collateralized with investments held by the financial institution in the Village's name. As of April 30, 2023, all of the deposits of the Village were covered by FDIC insurance or collateralized by the financial institutions.

Interest Rate Risk. The Village's investment policy limits investment maturities in order to maintain sufficient liquidity to reflect the cash flow needs of the fund type being invested. The policy also requires diversification of the investment portfolio via length of maturity as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. As of April 30, 2023, the Village did not have a credit risk.

Concentration of Credit Risk. As of April 30, 2023, the Village did not have a concentration of credit risk.

Foreign Currency Risk. As of April 30, 2023, the Village has no foreign currency risk.

Police Pension Fund

At April 30, 2023, the carrying amount and the bank balance of the Police Pension Fund's deposits were \$299,176. The deposits were comprised of a money market account and a checking account.

VILLAGE OF BETHALTO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the Police Pension's deposits may not be returned to it. The Police Pension requires that all deposits be fully covered by FDIC insurance or collateralized with investments held by the financial institution in the Police Pension's name.

As of April 30, 2023, the Police Pension Fund has transferred all the investment funds to the Illinois Police Officers' Pension Investment Fund (IPOPIF) investment account. The IPOPIF is a pooled investment account maintained by the State of Illinois. The Village's portion of the balance held in this investment pool is \$7,790,625 as of April 30, 2023.

Interest Rate Risk. The Police Pension Fund's investment policy limits investment maturities in order to maintain sufficient liquidity to reflect the cash flow needs of the fund. The policy also requires diversification of the investment portfolio via length of maturity as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. As of April 30, 2023, the Police Pension Fund investments did not have a credit risk.

Concentration of Credit Risk. As of April 30, 2023, the Police Pension Fund did not have a concentration of credit risk in any one investment.

Foreign Currency Risk. As of April 30, 2023, the Police Pension Fund has no foreign currency risk.

NOTE 4: RECEIVABLES

Village receivables, as reported in the statement of net position, including the applicable allowances for uncollectible accounts, are as follows as of April 30, 2023:

	<u>General Fund</u>	<u>Other Major Funds</u>	<u>Enterprise Funds</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Receivables:					
Property Tax	\$ 1,044,235	\$ -	\$ -	\$ 906,108	\$ 1,950,343
Intergovernmental	841,565	200,929	820,095	33,077	1,895,666
Accounts	-	-	559,875	82,064	641,939
Lease	609,126	-	-	-	609,126
Licenses/Fees/Other	95,146	-	-	1,864	97,010
Gross Receivables	2,590,072	200,929	1,379,970	1,023,113	5,194,084
Less: Allowance for uncollectible	-	-	10,584	-	10,584
Net Total Receivables	<u>\$ 2,590,072</u>	<u>\$ 200,929</u>	<u>\$ 1,369,386</u>	<u>\$ 1,023,113</u>	<u>\$ 5,183,500</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

VILLAGE OF BETHALTO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 5: CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2023 was as follows:

	Beginning <u>Balance</u>	Additions/ <u>Completions</u>	Retirements/ <u>Deletions</u>	Ending <u>Balance</u>
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 774,986	\$ -	\$ -	\$ 774,986
Construction in Process	<u>1,070,774</u>	<u>124,196</u>	<u>991,666</u>	<u>203,304</u>
Total capital assets not being depreciated	<u>1,845,760</u>	<u>124,196</u>	<u>991,666</u>	<u>978,290</u>
Capital assets, being depreciated:				
Buildings and improvements	6,646,071	176,924	41,625	6,781,370
Equipment and Vehicles	5,142,153	68,427	632,494	4,578,086
Infrastructure	<u>12,485,018</u>	<u>2,105,090</u>	<u>-</u>	<u>14,590,108</u>
Total capital assets being depreciated	<u>24,273,242</u>	<u>2,350,441</u>	<u>674,119</u>	<u>25,949,564</u>
Less accumulated depreciation for:				
Buildings and improvements	2,751,828	172,415	41,625	2,882,618
Equipment and Vehicles	3,974,311	230,256	624,093	3,580,474
Infrastructure	<u>2,395,211</u>	<u>279,478</u>	<u>-</u>	<u>2,674,689</u>
Total accumulated depreciation	<u>9,121,350</u>	<u>682,149</u>	<u>665,718</u>	<u>9,137,781</u>
Total capital assets, being depreciated, net	<u>15,151,892</u>	<u>1,668,292</u>	<u>8,401</u>	<u>16,811,783</u>
Governmental activities capital assets, net	<u>\$ 16,997,652</u>	<u>\$ 1,792,488</u>	<u>\$ 1,000,067</u>	<u>\$ 17,790,073</u>
<u>Business-type activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 248,083	\$ -	\$ -	\$ 248,083
Capital assets, being depreciated:				
Buildings and improvements	491,371	54,704	-	546,075
Utility systems	20,348,994	1,424,494	-	21,773,488
Machinery and equipment	2,048,257	84,928	-	2,133,185
Vehicles	<u>600,455</u>	<u>106,445</u>	<u>-</u>	<u>706,900</u>
Total capital assets, being depreciated	<u>23,489,077</u>	<u>1,670,571</u>	<u>-</u>	<u>25,159,648</u>
Less accumulated depreciation for:				
Buildings and improvements	327,865	16,572	-	344,437
Utility systems	10,754,368	654,120	-	11,408,488
Machinery and equipment	1,164,384	174,136	-	1,338,520
Vehicles	<u>391,671</u>	<u>39,052</u>	<u>-</u>	<u>430,723</u>
Total accumulated depreciation	<u>12,638,288</u>	<u>883,880</u>	<u>-</u>	<u>13,522,168</u>
Total capital assets, being depreciated, net	<u>10,850,789</u>	<u>786,691</u>	<u>-</u>	<u>11,637,480</u>
Business-type activities capital assets, net	<u>\$ 11,098,872</u>	<u>\$ 786,691</u>	<u>\$ -</u>	<u>\$ 11,885,563</u>

VILLAGE OF BETHALTO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Depreciation expense was charged as direct expense to functions of the Village as follows:

Governmental activities:	
General government	\$ 22,403
Public safety	177,046
Streets and highways, including depreciation of general infrastructure assets	277,487
Cultural and recreational	<u>205,213</u>
Total depreciation expense - governmental activities	<u>\$ 682,149</u>
Business-type activities:	
Water	\$ 644,979
Sewer	<u>238,901</u>
	<u>\$ 883,880</u>

NOTE 6: RETIREMENT AND PENSION FUND COMMITMENTS

1. Illinois Municipal Retirement Fund

Plan Description. The Village's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained on-line at www.imrf.org.

Funding Policy. As set by statute, members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2022 was 14.61 percent. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Covered Employees. The following types of employees comprise the membership of the plan.

Retirees and Beneficiaries	36
Inactive, non-Retired Members	11
Active Members	<u>25</u>
Total	<u>72</u>

VILLAGE OF BETHALTO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Discount Rate. GASB Statement No. 68 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a “risk-free” rate is required, as described in the following paragraph.

The *Single Discount Rate* (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.25%; the municipal bond rate is 4.05%; and the resulting single discount rate is 7.25%.

Actuarial Valuation Date	12/31/22
Measurement Date of the Net Pension Liability	12/31/22
Fiscal Year End	04/30/23
Development of the Single Discount Rate as of December 31, 2022	
Long-Term Expected Rate of Investment Return	7.25%
Long-Term Municipal Bond Rate	4.05%
Last year ending December 31 in the 2023 to 2122 projection period for which projected benefit payments are fully funded	2122
Resulting Single Discount Rate based on the above development	7.25%
Single Discount Rate calculated using December 31, 2021 Measurement Date	7.25%

The Long-Term Municipal Bond Rate is based on the Fidelity Index's "20-Year Municipal GO AA Index" as of December 31, 2022.

VILLAGE OF BETHALTO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Actuarial Assumptions. The following are the actuarial assumptions used in the calculation of the net pension liability.

Asset Valuation Method	Market Value of Assets
Price Inflation	2.25%
Salary Increases	2.85% to 13.75%
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

VILLAGE OF BETHALTO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Net Pension Liability. The following is a summary of the Net Pension Liability as shown as a liability in the financial statements.

Total pension liability	
Service Cost	\$ 178,552
Interest on the Total Pension Liability	1,348,262
Changes of benefit terms	-
Difference between expected and actual experience of the Total Pension Liability	(319,168)
Changes of assumptions	-
Benefit payments, including refunds of employee contributions	<u>(1,110,555)</u>
Net change in total pension liability	\$ 97,091
Total pension liability - beginning	<u>19,062,713</u>
Total pension liability - ending	<u>\$ 19,159,804</u>
 Plan fiduciary net position	
Contributions - employer	\$ 285,008
Contributions - employee	87,785
Net investment income	(2,637,094)
Benefit payments, including refunds of employee contributions	(1,110,555)
Other (Net Transfer)	<u>(554,792)</u>
Net change in plan fiduciary net position	\$ (3,929,648)
Plan fiduciary net position - beginning	<u>19,755,496</u>
Plan fiduciary net position - ending	<u>\$ 15,825,848</u>
 Net pension liability/(asset)	 <u>\$ 3,333,956</u>
 Plan fiduciary net position as a percentage of the total pension liability	 82.60%
 Covered valuation payroll	 \$ 1,950,768
 Net pension liability as a percentage of covered valuation payroll	 170.90%

VILLAGE OF BETHALTO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

To report the sensitivity of the net pension liability to the selected discount rate, the following table displays the variation given a 1% increase or decrease.

	1% Decrease	Current Single Discount Rate Assumption	1% Increase
	<u>6.25%</u>	<u>7.25%</u>	<u>8.25%</u>
Total Pension Liability	\$ 21,606,610	\$ 19,159,804	\$ 17,209,311
Plan Fiduciary Net Position	<u>15,825,848</u>	<u>15,825,848</u>	<u>15,825,848</u>
Net Pension Liability/(Asset)	<u>\$ 5,780,762</u>	<u>\$ 3,333,956</u>	<u>\$ 1,383,463</u>

Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future Pension Expenses. The following tables display the amount of deferred inflows and outflows related to the net pension liability and the future periods that these deferrals will affect the financial statements.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 246,938	\$ 234,817
Changes in assumptions	26,977	70,876
Subsequent contributions	76,499	-
Net difference between projected and actual earnings on pension plan investments	<u>1,388,178</u>	<u>-</u>
Total	<u>\$ 1,738,592</u>	<u>\$ 305,693</u>

Year Ending December 31,	Net Deferred Outflows of Resources
2023	\$ (46,018)
2024	193,552
2025	404,362
2026	<u>804,504</u>
	<u>\$ 1,356,400</u>

2. Police Pension Fund

a) Plan Description

Plan Administration. The Board consists of two members appointed by the Village, two active members of the police department elected by the membership, and one retired member of the police department elected by the retiree membership.

VILLAGE OF BETHALTO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Plan Membership as of April 30, 2023:

Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	16
Inactive Plan Members Entitled to But Not	
Currently Receiving Benefits	1
Active Plan Members	<u>12</u>
Total	<u>29</u>

Benefits Provided.

The Plan provides retirement, termination, disability, and death benefits.

Normal Retirement:

Tier 1: Age 50 and 20 years of Credited Service. Tier 2: Age 55 with 10 years of Credited Service. Benefit: Tier 1: 50% of annual salary attached to rank on last day of service plus 2.5% of annual salary for each year over 20 years, up to a maximum of 75% of salary. The minimum monthly benefit is \$1,000 per month. Tier 2: 2.50% per year of service times the average salary for the eight consecutive years prior to retirement times the number of years of service. The maximum benefit is 75% of average salary.

Cost of Living Adjustment:

Tier 1 Retirees: An annual increase equal to 3.00% per year after age 55. Those that retire prior to age 55 receive an increase of 1/12 of 3.00% for each full month since benefit commencement upon reaching age 55. Tier 2: An annual increase each January 1 equal to 3.00% per year or one-half of the annual unadjusted percentage increase in the consumer price index for the twelve months ending with the September preceding each November 1, whichever is less, of the original pension after the attainment of age 60 or first anniversary of pension start date whichever is later.

Disability Benefit:

Eligibility: Total and permanent as determined by the Board of Trustees. Benefit: A maximum of: a.) 65% of salary attached to the rank held by the member on last day of service, and; b.) The monthly retirement pension that the member is entitled to receive if he or she retired immediately. For non-service connected disabilities, a benefit of 50% of salary attached to rank held by member on last day of service.

Pre-Retirement Death Benefit:

Service Incurred: 100% of salary attached to rank held by member on last day of service. Non-Service Incurred: A maximum of: a.) 50% of salary attached to the rank held by member on last day of service, and; b.) The monthly retirement pension earned by the deceased member at time of death, regardless of whether death occurs before or after age 50. For non-service deaths with less than 10 years of service, a refund of member contributions is provided.

VILLAGE OF BETHALTO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Vesting (Termination):

Less than 10 years: Refund of Member Contributions.

10 or more years: Either the termination benefit, payable upon reaching age 60, provided contributions are not withdrawn, or a refund of member contributions. The termination benefit is 2.50% of annual salary held in the year prior to termination times creditable service.

Contributions.

Employee: 9.91% of Salary. Village: Remaining amount necessary for payment of Normal (current year's) Cost and amortization of 90% of the accrued past service liability over a period ending in 2040.

Investments

Investment Policy:

The long-term asset allocation is determined by the Illinois Police Officer's Pension Investment Fund and is as follows as of April 30, 2023:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
U.S. Large	23.00%	4.15%
U.S Small	5.00	4.54
International Developed	18.00	4.64
International Developed Small	5.00	-.25
Emerging Markets	7.00	5.31
Private Equity	7.00	7.15
Bank Loans	3.00	2.48
High Yield Corp Credit	3.00	2.48
Emerging Market Debt	3.00	2.82
Private Credit	5.00	4.37
TIPS	3.00	-.12
Real Estate/Infrastructure	8.00	4.00
Cash	1.00	-.27
Short-Term Gov't/Credit	3.00	.73
U.S. Treasury	3.00	-.60
Core Plus Fixed Income	3.00	.73
Total	<u>100.00%</u>	

The long-term expected rate of return on pension plan investments was determined using the best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) and are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Concentrations:

The Plan did not hold investments in any one organization that represent 5 percent or more of the Pension Plan's fiduciary net position.

VILLAGE OF BETHALTO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Rate of Return:

For the year ended April 30, 2023, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 0.91%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

b) Net Pension Liability of the Sponsor

The Police Pension's net pension liability was measured as of April 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Total Pension Liability	\$ 14,612,582
Plan Fiduciary Net Position	<u>(8,652,996)</u>
Net Pension Liability	<u>\$ 5,959,586</u>
Plan Fiduciary Net Position as a % of Total Pension Liability	59.22%
Covered Employee Payroll	\$ 904,759
Employer's Net Pension Liability as a % of Employee Payroll	658.69%

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of April 30, 2022 using the following actuarial assumptions.

Inflation	2.50%
Projected Increase in Total Payroll	3.00%
Investment Rate of Return	6.80%
Mortality Table: PubS-2010(A) Study – Sex Distinct Raw Rates	
Percent Married : 80.0%	

Discount Rate:

The discount rate used to measure the total pension liability was 6.80 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future projected benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The actuarial valuation did not provide for the Net Pension Liability had the rate had an actual fluctuation of +/- 1.00%.

VILLAGE OF BETHALTO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

3. 457 Plan and 401(a) Plan

The Village maintains a 457-retirement plan and a 401(a)-retirement plan, covering eligible employees. Eligibility is based on department. Under the plan, the Village contributes a discretionary amount to the individual employee’s account based on employee participation. The plan expense for the year ended April 30, 2023 is \$60,028

NOTE 7: RISK MANAGEMENT

Significant losses are covered by commercial insurance for all major programs: property, liability, and worker’s compensation. During the year ended, there were no significant reductions in coverage. Also, there have been no settlement amounts that have exceeded insurance coverage in the past three years.

NOTE 8: INTERFUND RECEIVABLES

As of April 30, 2023, the Motor Fuel Tax Fund owed the General Fund \$94,974.

The primary purpose of these interfund receivables and payables is to provide temporary loans for cash flow needs, all amounts are expected to be repaid within one year.

NOTE 9: INTERFUND TRANSFERS

The following is a summary of interfund transfers for the year ended April 30, 2023:

Business-type Activities:	
Water Fund Transfer From (To):	
General Fund	\$ 3,230
Governmental Activities:	
General Fund Transfer From (To):	
Water Fund	(3,230)
TIF Fund	(242,615)
TIF Fund	
General Fund	<u>242,615</u>
	<u>\$ -</u>

The Village makes transfers between funds to reimburse for costs related to a specific fund that was originally paid from another fund or to reimburse for overhead costs.

VILLAGE OF BETHALTO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 10: LONG-TERM DEBT

Governmental Activities

Notes from Direct Borrowings

The Village entered into an agreement on January 5, 2022, for the purchase of a fire truck. The agreement calls for 5 annual payments of \$40,000. Interest is payable each year at the rate of 2.48%. The debt is collateralized by the fire truck. The payments are to be repaid by net revenues of the General Fund. The final payment is due January 2027. The balance of the loan as of April 30, 2023 is \$109,364.

Debt Certificates

The Village issued General Obligation Project and Refunding Debt Certificates on March 4, 2013, to finance and refinance municipal facilities for an amount up to \$5,000,000 through First National Bank of Staunton. The agreement calls for quarterly payments for 10 years with an interest rate of 2.6%. The final payment is due December 2024. The debt certificates were refinanced in August 2018. The new agreement calls for quarterly payments for six years with an interest rate of 2.96%. The debt certificates are being retired by the TIF Fund. The balance of the debt certificates at April 30, 2023 is \$703,872.

Business-type Activities

Notes from Direct Borrowings

The Village financed on December 7, 2010, the purchase of a sewer detention basin, a lift station, and sewer lines for a total of \$1,120,643 through the Illinois Environmental Protection Agency. On February 12, 2012, the loan was amended for a total of \$1,202,450, with principal forgiveness of \$280,161, making the total amount due \$847,305. The agreement calls for semi-annual payments for 20 years with an interest rate of 1.25%. The payments are to be repaid by the net revenues of the Sewer Fund through May of 2031. The balance of the loan at April 30, 2023 is \$411,705.

The Village financed on September 27, 2012, water infrastructure up to the amount of \$6,000,000 through the Illinois Environmental Protection Agency. On August 26, 2014, the loan was amended for a total of \$6,124,515, with principal forgiveness of \$1,000,000, making the total amount due \$5,124,515. The agreement calls for semi-annual payments for 20 years with an interest rate of 2.295%. The payments are to be repaid by the net revenues of the Water Fund through August of 2034. The balance of the loan at April 30, 2023 is \$3,227,132.

The Village's outstanding notes from direct borrowings related to business-type activities of \$3,638,837 contain a provision that in the event of default, outstanding amounts become immediately due if the Village is unable to make payment.

VILLAGE OF BETHALTO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The following is a summary of changes in long-term liabilities for the year ended April 30, 2023.

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Retired</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
<u>Governmental Activities:</u>					
Notes from direct borrowings:					
Lease/loan agreements	\$ 145,750	\$ -	\$ 36,386	\$ 109,364	\$ 37,288
Debt certificates	1,090,233	-	386,361	703,872	397,927
Net pension liability - police	6,403,858		444,272	5,959,586	-
Net pension liability - IMRF	-	1,565,598	-	1,565,598	-
Compensated absences	<u>471,483</u>	<u>-</u>	<u>5,137</u>	<u>466,346</u>	<u>466,346</u>
Governmental activities long-term liabilities	<u>\$ 8,111,324</u>	<u>\$ 1,565,598</u>	<u>\$ 872,156</u>	<u>\$ 8,804,766</u>	<u>\$ 901,561</u>
<u>Business-type Activities:</u>					
Notes from direct borrowings:					
IL EPA	\$ 484,434	\$ -	\$ 72,729	\$ 411,705	\$ 24,547
IL EPA	3,469,838	-	242,706	3,227,132	248,308
Net pension liability - IMRF	-	1,768,358	-	1,768,358	-
Compensated absences	<u>287,365</u>	<u>22,020</u>	<u>-</u>	<u>309,385</u>	<u>309,385</u>
Business-type activities long-term liabilities	<u>\$ 4,241,637</u>	<u>\$ 1,790,378</u>	<u>\$ 315,435</u>	<u>\$ 5,716,580</u>	<u>\$ 582,240</u>

The annual requirements to retire the notes payable as of April 30, 2023 are as follows:

Fiscal Year Ended April 30,	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 435,215	\$ 19,155	\$ 272,855	\$ 81,277
2025	344,203	6,323	303,594	74,173
2026	33,818	840	310,079	65,115
2027	-	-	316,707	58,487
2028	-	-	323,482	51,712
2029-2033	-	-	1,642,515	152,095
2034-2038	<u>-</u>	<u>-</u>	<u>469,605</u>	<u>10,807</u>
	<u>\$ 813,236</u>	<u>\$ 26,318</u>	<u>\$ 3,638,837</u>	<u>\$ 493,666</u>

NOTE 11: LEGAL DEBT MARGIN

The computation of legal debt margin on April 30, 2023 is as follows:

Assessed Valuation	<u>\$ 189,363,670</u>
Bonded Debt Limit*	\$ 16,332,617
Bonded Indebtedness	<u>109,364</u>
Legal Debt Margin	<u>\$ 16,223,253</u>

The bonded indebtedness of the Village of Bethalto, Illinois is limited by Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes to 8.625% of the assessed valuation of taxable tangible property.

VILLAGE OF BETHALTO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 12: ECONOMIC DEVELOPMENT

Tax Increment Financing – The Village established a Tax Increment Financing District (TIF) as authorized by the State of Illinois in 2000. The goal was to increase the Village’s total assessed valuation by inducing private development within the TIF boundaries. The expected land use includes residential and recreational property within the TIF boundaries as agreed through contracts with the Village. The current TIF increment (increase in assessed valuation since inception) is \$2,452,970 generating approximately \$186,161 of real estate taxes. The real estate tax, including additional funding from the Village are used to reduce the outstanding indebtedness of the Village. The TIF expires in 2023.

Enterprise Zone – The Village established an enterprise zone in 1998 as authorized by the State of Illinois. The purpose was to improve areas within the Village. Commercial properties within the zone are eligible for a real estate tax abatement upon completion to agreed upon improvements.

NOTE 13: LEASES RECEIVABLE

The Village has entered into four lease agreements to lease property rights to tenants for the purposes of communications equipment.

The leases each had an initial term of five years with additional five-year option periods. The current outstanding leases extend through 2035. The initial rents vary from \$12,960 to \$17,763. The total expected future payments are \$703,672 through the fiscal year 2035. The payments are discounted at 3.00% to a receivable balance of \$609,126.

Fiscal Year Ended April 30,	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 81,586	\$ 18,274
2025	86,236	15,826
2026	91,114	13,239
2027	51,440	10,506
2028	55,461	8,962
2029-2033	173,079	24,543
2034-2035	<u>70,210</u>	<u>3,196</u>
	<u>\$ 609,126</u>	<u>\$ 94,546</u>

The receivable balances are also reported as a deferred inflow.

VILLAGE OF BETHALTO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 14: PROPERTY TAXES

The Village's property tax is levied each year on all taxable real property located in the City prior to or on the second Tuesday in December. The board passed the 2022 levy on December 12, 2022. Property taxes attach as an enforceable lien on property as of January 1 and are payable in four installments. The County has not mailed 2022 tax levy tax bills as of April 30, 2023. Past mailing practices of the County have generally been subsequent to May 31 of each year. The City receives significant distributions of tax receipts beginning in June and July of each year.

	Maximum Rate	Tax Levy Year		
		2022	2021	2020
Assessed Valuation		\$ 183,006,500	\$ 170,320,388	\$ 162,612,875
Rates:				
General	0.25000	0.2243	0.2410	0.2448
IMRF	N/A	0.1464	0.1573	0.1569
Fire Protection	0.2000	0.1821	0.1863	0.1790
Police Protection	0.07500	0.0700	0.0723	0.0735
Police Pension	N/A	0.3061	0.3175	0.3168
Garbage	N/A	0.0037	0.0039	0.0050
Audit	N/A	0.0017	0.0018	0.0019
Liability Insurance		0.0984	0.0740	0.0738
Street & Bridge		0.0508	0.0506	0.0487
Street Lighting		0.0434	0.0444	0.0443
ESDA		0.0013	0.0014	0.0015
Social Security	N/A	0.1419	0.1480	0.1476
Total		1.2701	1.2985	1.2938
Extensions:				
General		\$ 410,484	\$ 410,472	\$ 398,076
IMRF		267,922	267,914	255,140
Fire Protection		333,255	317,307	291,077
Police Protection		128,105	123,142	119,520
Police Pension		560,183	540,767	515,158
Garbage		6,771	6,643	8,131
Audit		3,111	3,066	3,090
Liability Insurance		180,078	126,037	120,008
Street & Bridge		92,967	86,182	79,192
Street Lighting		79,425	75,622	72,038
ESDA		2,379	2,384	2,439
Social Security		259,686	252,074	240,017
Total		\$ 2,324,366	\$ 2,211,610	\$ 2,103,886
Collections - Year Ended:				
April 30, 2022		\$ -	\$ -	\$ 2,095,344
April 30, 2023		-	2,207,561	-
Total		\$ -	\$ 2,207,561	\$ 2,095,344

VILLAGE OF BETHALTO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 15: SUBSEQUENT EVENT

The Village has evaluated events occurring after the financial statement date through December 14, 2023 in order to determine their potential for recognition or disclosure in the financial statements. The latter date is the same date the financial statements were available to be issued.

VILLAGE OF BETHALTO, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE (CASH BASIS) - GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2023

	Budgeted Amounts		Actual (Budget Basis)	Variance -
	Original	Final		Actual vs. Budget Final
Receipts:				
Property Tax	\$ 1,633,000	\$ 1,633,000	\$ 1,623,946	\$ (9,054)
Intergovernmental:				
Sales and Use Tax	1,644,500	1,644,500	1,849,315	204,815
Replacement Tax	103,000	103,000	157,335	54,335
State Income Tax	1,340,000	1,340,000	1,504,296	164,296
Excise Tax	105,000	105,000	187,090	82,090
Utility Tax	600,000	600,000	577,000	
Grants	676,000	676,000	626,670	(49,330)
Video Gaming Tax	105,000	105,000	130,864	25,864
Other	103,000	103,000	18,302	(84,698)
Licenses, Fees and Permits	96,750	96,750	119,010	22,260
Charges for Services	195,000	195,000	272,618	77,618
Fines	10,500	10,500	31,484	20,984
Investment Earnings	1,000	1,000	4	(996)
Gifts and Donations	500	500	925	425
Miscellaneous Revenues and Reimbursements	337,835	337,835	397,039	59,204
Total Receipts	<u>6,951,085</u>	<u>6,951,085</u>	<u>7,495,898</u>	<u>567,813</u>
Disbursements:				
General Government:				
Operations	544,450	544,450	518,427	26,023
Municipal Building	302,500	302,500	234,204	68,296
Total Administration	<u>846,950</u>	<u>846,950</u>	<u>752,631</u>	<u>94,319</u>
Public Safety:				
Police	2,516,100	2,516,100	2,528,749	(12,649)
Fire	355,050	355,050	319,805	35,245
Total Public Safety	<u>2,871,150</u>	<u>2,871,150</u>	<u>2,848,554</u>	<u>22,596</u>
Public Works:				
Streets	1,052,920	1,052,920	1,045,845	7,075
Total Public Works	<u>1,052,920</u>	<u>1,052,920</u>	<u>1,045,845</u>	<u>7,075</u>
Culture and Recreation:				
Parks	744,410	744,410	618,692	125,718
Total Culture and Recreation	<u>744,410</u>	<u>744,410</u>	<u>618,692</u>	<u>125,718</u>

VILLAGE OF BETHALTO, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE (CASH BASIS) - GENERAL FUND
 FOR THE YEAR ENDED APRIL 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual (Budget Basis)</u>	<u>Variance - Actual vs. Budget Final</u>
	<u>Original</u>	<u>Final</u>		
Development				
Building and Zoning	<u>173,050</u>	<u>173,050</u>	<u>138,864</u>	<u>34,186</u>
Total Development	<u>173,050</u>	<u>173,050</u>	<u>138,864</u>	<u>34,186</u>
Total Disbursements	<u>5,688,480</u>	<u>5,688,480</u>	<u>5,404,586</u>	<u>283,894</u>
Excess of Receipts over Disbursements	<u>1,262,605</u>	<u>1,262,605</u>	<u>2,091,312</u>	<u>851,707</u>
Other Financing Sources:				
Transfers In (Out)	<u>(840,000)</u>	<u>(840,000)</u>	<u>(245,844)</u>	<u>594,156</u>
Excess of Receipts and Other Financing Sources Over Disbursements and Other Financing Uses	<u>\$ 422,605</u>	<u>\$ 422,605</u>	<u>1,845,468</u>	<u>\$ 1,445,863</u>
Change for reporting on modified accrual basis:				
Change in Intergovernmental Revenue and Other Revenue			(275,944)	
Change in accounts payable on modified accrual basis			(189,140)	
Change in accrued wages on modified accrual basis			<u>(14,430)</u>	
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ 1,365,955</u>	

VILLAGE OF BETHALTO, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE (CASH BASIS) - BUSINESS DISTRICT FUND
 FOR THE YEAR ENDED APRIL 30, 2023

	Budgeted Amounts		Actual	Variance -
	Original	Final	(Budget Basis)	Actual vs. Budget Final
Receipts:				
Sales Tax	644,000	644,000	733,721	89,721
Total Receipts	644,000	644,000	733,721	89,721
Disbursements:				
Development	245,000	245,000	170,974	74,026
Capital Outlay	600,000	600,000	106,744	493,256
Total Disbursements	845,000	845,000	277,718	567,282
Excess (Deficiency) of Receipts Over				
Disbursements	\$ (201,000)	\$ (201,000)	456,003	\$ 657,003
Change for reporting on modified accrual basis:				
Change in accounts receivable on modified accrual basis			36,054	
Change in accounts payable on modified accrual basis			(96,955)	
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			\$ 395,102	

VILLAGE OF BETHALTO, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
NOTES ON PENSION PLAN
APRIL 30, 2023

Police Pension Fund

Schedule of Funding Progress

Historical trend information about the Pension Trust Fund is presented herewith as supplementary information. This information is intended to help users assess the Pension Trust Fund funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due and make comparisons with other plans.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) --Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UALL as a Percentage of Covered Payroll ((b-a)/c)
4/30/2022	\$ 9,078,491	\$ 14,612,582	\$ 5,534,091	62.1%	\$ 904,759	611.7%
4/30/2021	8,616,559	15,020,417	6,403,858	57.4%	809,990	790.6%
4/30/2020	8,011,652	14,537,231	6,525,579	55.1%	792,971	822.9%
4/30/2019	7,691,896	14,048,750	6,356,854	54.8%	929,693	683.8%
4/30/2018	7,298,900	12,537,041	5,238,141	58.2%	933,129	561.4%
4/30/2017	7,052,900	12,024,522	4,971,622	58.7%	894,746	555.6%
4/30/2016	6,902,952	11,596,352	4,693,400	59.5%	912,613	514.3%
4/30/2015	6,745,828	10,769,403	4,023,575	62.6%	915,612	439.4%
4/30/2014	6,435,556	10,479,943	4,044,387	61.4%	949,523	425.9%
4/30/2013	6,115,766	9,264,095	3,148,329	66.0%	771,127	408.3%

Analysis of the dollar amounts of plan net position, actuarial accrued liability and unfunded actuarial accrued liability in isolation can be misleading. Expressing plan net position as a percentage of the actuarial accrued liability provides one indication of the plan's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the plan is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the plan.

Trends in the unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the plan's progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the plan.

The above calculations are performed in accordance with Section 3-125 of the Illinois Pension Code and is not calculated in conformance with the requirements of GASB 67 and 68.

VILLAGE OF BETHALTO, ILLINOIS

SCHEDULE OF CONTRIBUTIONS
POLICE PENSION FUND
APRIL 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarial Determined Contribution	\$ 507,478	\$ 515,810	\$ 512,305	\$ 523,169	\$ 442,741	\$ 412,640	\$ 389,099	\$ 355,601	\$ 366,626
Contributions in relation to actuarial determined contribution	<u>576,402</u>	<u>551,972</u>	<u>520,904</u>	<u>528,857</u>	<u>493,532</u>	<u>493,396</u>	<u>457,825</u>	<u>464,867</u>	<u>425,902</u>
Contribution deficiency (excess)	<u>\$ (68,924)</u>	<u>\$ (36,162)</u>	<u>\$ (8,599)</u>	<u>\$ (5,688)</u>	<u>\$ (50,791)</u>	<u>\$ (80,756)</u>	<u>\$ (68,726)</u>	<u>\$ (109,266)</u>	<u>\$ (59,276)</u>
 Covered Payroll	 <u>\$ 904,759</u>	 <u>\$ 809,990</u>	 <u>\$ 792,791</u>	 <u>\$ 929,693</u>	 <u>\$ 894,716</u>	 <u>\$ 894,716</u>	 <u>\$ 912,613</u>	 <u>\$ 915,612</u>	 <u>\$ 549,523</u>
 Contributions as a percentage of covered payroll	 <u>63.71%</u>	 <u>68.15%</u>	 <u>65.71%</u>	 <u>56.89%</u>	 <u>55.16%</u>	 <u>55.15%</u>	 <u>50.17%</u>	 <u>50.77%</u>	 <u>77.50%</u>

Actuarial valuations are performed as of April 30 of each year with the related contributions to be made in the following year. Actuarial valuation date for above is April 30, 2022.

The actuarial valuations presented are prepared using the following parameters:

Actuarial Cost Method:	Projected Unit Credit Cost Method
Amortization Method:	Level Percentage of Payroll
Remaining Amortization Period:	18 Years
Asset Valuation Method:	Gains and losses recognized over a five year period
Actuarial Assumptions:	
Interest Rate	6.80%
Payroll Growth	3.00%
Inflation	3.00%

VILLAGE OF BETHALTO, ILLINOIS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND
APRIL 30, 2023

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability:								
Service Cost	\$ 178,552	\$ 209,362	\$ 230,750	\$ 225,182	\$ 213,579	\$ 233,546	\$ 249,337	\$ 243,985
Interest	1,348,262	1,313,197	1,272,933	1,224,191	1,169,062	1,206,446	1,126,484	1,072,572
Difference between expected and actual	(319,168)	105,687	339,446	205,597	339,706	(524,937)	551,970	145,799
Assumption changes	-	-	(193,066)	-	512,322	(496,031)	(83,235)	58,916
Benefit payments, including refunds	<u>(1,110,555)</u>	<u>(1,147,816)</u>	<u>(1,020,209)</u>	<u>(950,693)</u>	<u>(934,441)</u>	<u>(880,552)</u>	<u>(821,518)</u>	<u>(665,830)</u>
Net change in total pension liability	97,091	480,430	629,854	704,277	1,300,228	(461,528)	1,023,038	855,442
Total pension liability - beginning	<u>19,062,713</u>	<u>18,582,283</u>	<u>17,952,429</u>	<u>17,248,152</u>	<u>15,947,924</u>	<u>16,409,452</u>	<u>15,386,414</u>	<u>14,530,972</u>
Total pension liability - ending	<u>\$ 19,159,804</u>	<u>\$ 19,062,713</u>	<u>\$ 18,582,283</u>	<u>\$ 17,952,429</u>	<u>\$ 17,248,152</u>	<u>\$ 15,947,924</u>	<u>\$ 16,409,452</u>	<u>\$ 15,386,414</u>
Plan Fiduciary Net Position								
Contributions - employer	285,008	311,162	368,712	255,394	362,924	288,310	298,869	312,859
Contributions - employee	87,785	86,917	102,389	97,645	111,184	112,074	111,432	113,461
Net investment income	(2,637,094)	2,987,217	2,245,543	2,612,055	(870,479)	2,434,234	852,239	63,974
Benefit payments, including refunds	(1,110,555)	(1,147,816)	(1,020,209)	(950,693)	(934,441)	(880,552)	(821,518)	(665,830)
Other	<u>(554,792)</u>	<u>108,503</u>	<u>54,028</u>	<u>94,961</u>	<u>(34,468)</u>	<u>(493,235)</u>	<u>195,255</u>	<u>78,905</u>
Net change in plan fiduciary net position	(3,929,648)	2,345,983	1,750,463	2,109,362	(1,365,280)	1,460,831	636,277	(96,631)
Plan fiduciary net position - beginning	<u>19,755,496</u>	<u>17,409,513</u>	<u>15,659,050</u>	<u>13,549,688</u>	<u>14,914,968</u>	<u>13,454,137</u>	<u>12,817,860</u>	<u>12,914,491</u>
Plan fiduciary net position - ending	<u>\$ 15,825,848</u>	<u>\$ 19,755,496</u>	<u>\$ 17,409,513</u>	<u>\$ 15,659,050</u>	<u>\$ 13,549,688</u>	<u>\$ 14,914,968</u>	<u>\$ 13,454,137</u>	<u>\$ 12,817,860</u>
Net Pension Liability/(Asset)	<u>\$ 3,333,956</u>	<u>\$ (692,783)</u>	<u>\$ 1,172,770</u>	<u>\$ 2,293,379</u>	<u>\$ 3,698,464</u>	<u>\$ 1,032,956</u>	<u>\$ 2,955,315</u>	<u>\$ 2,568,554</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>82.60%</u>	<u>103.63%</u>	<u>93.69%</u>	<u>87.23%</u>	<u>78.56%</u>	<u>93.52%</u>	<u>81.99%</u>	<u>83.31%</u>
Covered valuation payroll	<u>\$ 1,950,768</u>	<u>\$ 1,931,490</u>	<u>\$ 2,266,207</u>	<u>\$ 2,169,876</u>	<u>\$ 2,221,116</u>	<u>\$ 2,202,521</u>	<u>\$ 2,247,133</u>	<u>\$ 2,290,336</u>
Net position liability as a percentage of covered valuation payroll	<u>170.90%</u>	<u>-35.87%</u>	<u>51.75%</u>	<u>105.69%</u>	<u>166.51%</u>	<u>46.90%</u>	<u>131.51%</u>	<u>112.15%</u>

VILLAGE OF BETHALTO, ILLINOIS

SCHEDULE OF CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND
APRIL 30, 2023

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarial Determined Contribution	\$ 285,007	\$ 311,163	\$ 368,712	\$ 255,394	\$ 329,177	\$ 288,310	\$ 298,869	\$ 312,860
Contributions in relation to actuarial determined contribution	<u>285,008</u>	<u>311,162</u>	<u>368,712</u>	<u>255,394</u>	<u>362,924</u>	<u>288,310</u>	<u>298,869</u>	<u>312,859</u>
Contribution deficiency (excess)	<u>\$ (1)</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (33,747)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>
 Covered Valuation Payroll	 <u>\$ 1,950,768</u>	 <u>\$ 1,931,490</u>	 <u>\$ 2,266,207</u>	 <u>\$ 2,169,876</u>	 <u>\$ 2,221,166</u>	 <u>\$ 2,202,521</u>	 <u>\$ 2,247,133</u>	 <u>\$ 2,290,336</u>
 Contributions as a percentage of covered valuation payroll	 <u>14.61%</u>	 <u>16.11%</u>	 <u>16.27%</u>	 <u>11.77%</u>	 <u>16.34%</u>	 <u>13.09%</u>	 <u>13.30%</u>	 <u>13.66%</u>

Actuarial valuation date for above is December 31, 2022.

The actuarial valuations presented are prepared using the following parameters:

Actuarial Cost Method:	Aggregate Entry Age Normal
Amortization Method:	Level Percentage of Payroll, Closed
Remaining Amortization Period:	21 years
Asset Valuation Method:	5-Year smoothed market; 20% corridor
 Actuarial Assumptions:	
Investment Rate of Return	7.25%
Wage Growth	2.75%
Price Inflation	2.25%

VILLAGE OF BETHALTO, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
APRIL 30, 2023

	Special Revenue Funds								Total
	Civil Defense	Audit	Liability Insurance	Social Security	Municipal Retirement	TIF	Garbage	Motor Fuel Tax	Nonmajor Governmental Funds
<u>Assets</u>									
Cash and Cash Equivalents	\$ 1,341	\$ 37,788	\$ 146,135	\$ 265,586	\$ 376,005	\$ 16,432	\$ 175,738	\$ 628,170	\$ 1,647,195
Receivables:									
Property Tax	2,379	3,111	180,078	259,686	267,922	186,161	6,771	-	906,108
Services	-	-	-	-	-	-	82,064	-	82,064
Intergovernmental	-	-	-	-	-	-	-	33,077	33,077
Other	-	-	-	-	1,864	-	-	-	1,864
Prepaid Expenses	-	-	106,730	-	-	-	-	-	106,730
Total Assets	\$ 3,720	\$ 40,899	\$ 432,943	\$ 525,272	\$ 645,791	\$ 202,593	\$ 264,573	\$ 661,247	\$ 2,777,038
<u>Liabilities, Deferred Inflows of Resources, and Fund Balance</u>									
<u>Liabilities:</u>									
Accounts Payable	\$ 7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,194	\$ -	\$ 55,201
Due to Other Funds	-	-	-	-	-	-	-	94,974	94,974
Total Liabilities	7	-	-	-	-	-	55,194	94,974	\$ 150,175
<u>Deferred Inflows of Resources:</u>									
Deferred Revenue	\$ 2,379	\$ 3,111	\$ 180,078	\$ 259,686	\$ 267,922	\$ 186,161	\$ 6,771	\$ -	\$ 906,108
<u>Fund Balance:</u>									
Nonspendable	\$ -	\$ -	\$ 106,730	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 106,730
Restricted									
Redevelopment	-	-	-	-	-	16,432	-	-	16,432
Audit	-	37,788	-	-	-	-	-	-	37,788
Insurance	-	-	146,135	-	-	-	-	-	146,135
Retirement	-	-	-	265,586	377,869	-	-	-	643,455
Garbage	-	-	-	-	-	-	202,608	-	202,608
Streets and Highways	-	-	-	-	-	-	-	566,273	566,273
Civil Defense	1,334	-	-	-	-	-	-	-	1,334
Total Fund Balance	1,334	37,788	252,865	265,586	377,869	16,432	202,608	566,273	1,720,755
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 3,720	\$ 40,899	\$ 432,943	\$ 525,272	\$ 645,791	\$ 202,593	\$ 264,573	\$ 661,247	\$ 2,777,038

VILLAGE OF BETHALTO, ILLINOIS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2023

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	Special Revenue Funds								Total
	Civil <u>Defense</u>	Audit	Liability <u>Insurance</u>	Social <u>Security</u>	Municipal <u>Retirement</u>	TIF	Garbage	Motor Fuel Tax	Nonmajor Governmental Funds
Revenues:									
Property Tax	\$ 2,368	\$ 3,045	\$ 125,196	\$ 250,391	\$ 266,125	\$ 169,474	\$ 6,597	\$ -	\$ 823,196
Replacement Tax	-	-	-	14,274	10,313	-	-	-	24,587
Motor Fuel Tax	-	-	-	-	-	-	-	382,879	382,879
Grant Revenue	-	-	-	-	-	-	-	104,579	104,579
Charges for Services	-	-	-	-	-	-	651,629	-	651,629
Investment Earnings	-	-	-	-	-	-	-	7,209	7,209
Total Revenues	<u>2,368</u>	<u>3,045</u>	<u>125,196</u>	<u>264,665</u>	<u>276,438</u>	<u>169,474</u>	<u>658,226</u>	<u>494,667</u>	<u>1,994,079</u>
Expenditures:									
General Government	-	5,149	78,125	182,037	135,614	-	669,439	-	1,070,364
Public Safety	1,110	-	-	-	-	-	-	-	1,110
Public Works	-	-	-	-	-	-	-	13,016	13,016
Community/Economic Development	-	-	-	-	-	125	-	-	125
Capital Outlay	-	-	-	-	-	-	-	570,052	570,052
Debt Service:									
Principal	-	-	-	-	-	386,361	-	-	386,361
Interest and Fees	-	-	-	-	-	28,009	-	-	28,009
Total Expenditures	<u>1,110</u>	<u>5,149</u>	<u>78,125</u>	<u>182,037</u>	<u>135,614</u>	<u>414,495</u>	<u>669,439</u>	<u>583,068</u>	<u>2,069,037</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,258</u>	<u>(2,104)</u>	<u>47,071</u>	<u>82,628</u>	<u>140,824</u>	<u>(245,021)</u>	<u>(11,213)</u>	<u>(88,401)</u>	<u>(74,958)</u>
Other Financing Sources (Uses):									
Transfers In (Out)	-	-	-	-	-	242,615	-	-	242,615
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>242,615</u>	<u>-</u>	<u>-</u>	<u>242,615</u>
Net Change in Fund Balances	1,258	(2,104)	47,071	82,628	140,824	(2,406)	(11,213)	(88,401)	167,657
Fund Balance, Beginning of Year	<u>76</u>	<u>39,892</u>	<u>205,794</u>	<u>182,958</u>	<u>237,045</u>	<u>18,838</u>	<u>213,821</u>	<u>654,674</u>	<u>1,553,098</u>
Fund Balance, End of Year	<u>\$ 1,334</u>	<u>\$ 37,788</u>	<u>\$ 252,865</u>	<u>\$ 265,586</u>	<u>\$ 377,869</u>	<u>\$ 16,432</u>	<u>\$ 202,608</u>	<u>\$ 566,273</u>	<u>\$ 1,720,755</u>



**INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE WITH TAX INCREMENT FINANCING ACT**

To the Mayor and Board of Trustees
Village of Bethalto, Illinois

Qualified and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Bethalto, Illinois, ("Village") as of and for the year ended April 30, 2023, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions Section of our report, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village as of April 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified audit opinions.

Matter Giving Rise to the Qualified Opinion on the Net Pension Liability and Footnote Disclosures

For the net pension liability and certain footnote disclosures and supplementary information related to the pension fund, the Village uses an actuarial valuation performed in accordance with the Illinois Compiled Statutes. The funding methodology used for an actuarial valuation in accordance with Illinois State Statutes is in variance from the methods required by GASB 67 and GASB 68. The amount by which this departure would affect the footnote disclosures and supplementary information has not been determined.

The Village has not implemented reporting for GASB 75 related to post-employment benefits. The amount by which this departure would affect the financial statements, footnote disclosures and supplementary information has not been determined.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

The management of the Village of Bethalto, Illinois is responsible for the government's compliance with laws and regulations. In connection with our audit, referred to above, we selected and tested transactions and records to determine the government's compliance with 65 ILCS 5/11-74.4-3, "Tax Increment Allocation Redevelopment Act".

The results of our tests indicate that for the items tested, the Village of Bethalto, Illinois, complied with Subsection (q) of 65 ILCS 5/11-74.4-3, "Tax Increment Allocation Redevelopment Act". Nothing came to our attention that caused us to believe that, for the items not tested, the Village of Bethalto, Illinois was not in compliance with Subsection (q) of 65 ILCS 5/11-74.4-3, "Tax Increment Allocation Redevelopment Act".

C. J. Schumacher & Company LLC

Certified Public Accountants
Alton, Illinois
December 14, 2023